BUDGET 2005

Ministry of
Transportation

SERVICE PLAN
2005/06 – 2007/08

BRITISH
COLUMBIA
www.gov.bc.ca

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Transportation.
Service plan. — 2002/2003/2004/2005 —

Annual.
ISSN 1499-8025 = Service plan — British Columbia.
Ministry of Transportation

1. British Columbia. Ministry of Transportation —
Periodicals. 2. Transportation and state — British Columbia —
Periodicals. 3. Roads — British Columbia —
Periodicals. I. Title. II. Title: Ministry of Transportation service plan.

HE215.Z7B74 354.77'09711'05 C2002-960010-3

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Published by the Ministry of Transportation

105-04470/

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Message from the Minister and Accountability Statement

British Columbians can and should be proud of their transportation system. In a province as expansive as ours, an efficient network of road, rail, marine and air connections is crucial to keeping our economy strong and vital. We are seeing success from improvements we have made in opening up B.C., and our future is bright.

Continued work on the Trans-Canada Highway at Kicking Horse Canyon, on the Sea-to-Sky Highway and in the Okanagan corridor will make these routes safer, more effective and well positioned for future growth. Planning for the twinning of the Port Mann Bridge and other improvements key to opening up our Lower Mainland gateway will come as welcome relief to countless thousands of commuters. And we will continue improving the roads that rural residents and the resource sectors rely on in the Heartlands.

These initiatives are key parts of our multi-year Transportation Investment Plan, supporting a comprehensive vision of a multi-modal transportation system for British Columbia.

Our Transportation Partnerships Program will help develop those linkages by investing millions of dollars a year in new infrastructure at ports and airports, as well as new cycling facilities in communities across the province. This cost-shared program is continuing proof of our commitment to work with partners on common goals and to maximize the benefits of leveraging our investments.

The Ministry of Transportation is working smarter, accomplishing more and making a real contribution to improving the quality of life in British Columbia. I look forward to that continuing, and I welcome your thoughts on the vision outlined in this service plan.

Accountability Statement

The 2005/06 – 2007/08 Ministry of Transportation Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of January 31, 2005 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.

Honourable Kevin Falcon
Minister of Transportation

February 3, 2005

Ministry Overview and Core Business Areas

The Ministry of Transportation plans provincial transportation networks, develops and implements transportation policies, provides transportation services and administers various transportation-related acts and regulations in the road, rail, air and marine sectors.

The ministry works closely with other groups that have transportation-related responsibilities, such as the federal government, TransLink, local governments, British Columbia Ferry Services Inc. and the Insurance Corporation of British Columbia. Where possible, the ministry shares the costs of projects that serve a common interest. More detail on ministry services and partners can be found at the ministry website: http://www.gov.bc.ca/tran.

Core Business Areas

Ministry responsibilities fall into five major categories:

Transportation Improvements: The ministry consults with community leaders, local governments and Regional Transportation Advisory Committees when setting priorities for transportation improvements; then contracts with private companies to design, construct and operate new infrastructure.

Public Transportation: The ministry works with partners and other levels of government to provide efficient, low-cost public transit and coastal ferry services.

Highway Operations: Through contracts with private companies, the ministry undertakes to keep highways safe, reliable and in good repair; and to operate inland ferries.

Passenger Transportation Regulation: The ministry licenses and regulates commercial bus and taxi services through the *Passenger Transportation Act*.

Executive and Support Services: The ministry measures its performance, provides information to the public, and gives organizational support to its front-line workers.

The Resource Summary outlines the financial and staff resources dedicated to each core business area.

The Minister of Transportation is also responsible for the following Crown corporations and board: the BC Transportation Financing Authority (BCTFA), BC Transit, BC Railway Company, Rapid Transit Project 2000 and the Passenger Transportation Board.

Resource Summary

Ministry of Transportation

Core Businesses	2004/05 Restated Estimates[1]	2005/06 Estimates	2006/07 Plan	2007/08 Plan
Operating Expenses ($000)				
Transportation Improvements[2]	12,623	12,651	12,651	12,559
Public Transportation[3]	363,474	359,292	363,826	361,329
Highway Operations	414,902	419,006	415,030	418,129
Passenger Transportation Regulation	1,767	2,301	2,243	2,243
Executive and Support Services	11,689	11,695	11,695	11,695
Total	**804,455**	**804,945**	**805,445**	**805,955**
Full-time Equivalents (Direct FTEs)				
Transportation Improvements	273	285	285	285
Highway Operations	633	691	691	691
Passenger Transportation Regulation	20	22	22	22
Executive and Support Services	72	76	76	76
Total	**998**	**1,074**	**1,074**	**1,074**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Transportation Improvements	473	1,255	1,135	765
Highway Operations	11,285	14,824	5,918	2,495
Passenger Transportation Regulation	0	183	179	184
Executive and Support Services	1,522	383	130	539
Total	**13,280**	**16,645**	**7,362**	**3,983**
Other Financing Transactions ($000)				
Receipts	—	—	—	—
Disbursements — Public Transportation[4]	25,200	24,800	17,500	6,100
Net Cash Source (Requirement)	**(25,200)**	**(24,800)**	**(17,500)**	**(6,100)**
Revenue ($000)				
Total Receipts[5]	**77,838**	**56,951**	**58,081**	**59,301**

[1] These amounts have been restated, for comparative purposes only, to be consistent with Schedule A of the 2005/06 *Estimates*.

[2] Transportation Improvements: Operating Expenses are reported net of funding from external sources, primarily the BC Transportation Financing Authority (see next page).

[3] Public Transportation: Operating Expenses include government transfers to British Columbia Transit and British Columbia Ferry Services Inc., as well as amortization and debt servicing costs for prepaid capital advances to British Columbia Transit and Rapid Transit Project 2000.

[4] Other Financing Transactions: Disbursements — Public Transportation include prepaid capital advances to British Columbia Transit for buses, and to Rapid Transit Project 2000 for construction of the Millennium SkyTrain Line (scheduled for completion in 2005/06).

[5] The majority of the ministry's revenue comes from Coquihalla Tolls (approximately $49 million annually). The increase in receipts in 2004/05 was due to one-time revenue from the province's investment in British Columbia Ferry Services Inc.

BC Transportation Financing Authority — Income Statement

	2004/05 Budget[1]	2005/06 Budget	2006/07 Plan	2007/08 Plan
Revenue ($000)				
Dedicated taxes[2]	425,280	450,100	463,700	477,300
Transfer payments[3]	750,000	—	—	—
Amortization of deferred contributions[4]	171,145	165,270	155,282	145,456
Other revenue[5]	4,844	18,844	10,844	10,844
Total	**1,351,269**	**634,214**	**629,826**	**633,600**
Expenditures ($000)				
Amortization	301,827	307,447	313,449	318,991
Interest[6]	150,357	136,743	156,609	180,599
Heartlands roads program[7]	35,000	35,000	35,000	35,000
Grant programs[8]	76,300	102,000	18,000	136,000
Operations and administration	8,156	3,866	3,866	3,866
Total	**571,640**	**585,056**	**526,924**	**674,456**
Net Income (Loss) ($000)				
Net Earnings (Loss)	**779,629**	**49,158**	**102,902**	**(40,856)**
Capital Plan ($000)[9]				
Transportation Improvements	**533,968**	**519,552**	**602,156**	**509,352**

[1] These amounts have been restated to be consistent with the classification of revenue and expenditures adopted for the 2005/06 and subsequent years' budgets.
[2] Dedicated taxes include 6.75 cents per litre motor fuel tax and a provincial sales tax on short-term car rentals of $1.50 per day.
[3] Transfer payments from BC Rail proceeds ($200 million) and the Consolidated Revenue Fund ($550 million).
[4] Contributions towards capital assets are deferred and amortized to income at the same rate as the related highway infrastructure is amortized to expense.
[5] Other revenue includes property and economic development revenues, net of related expenses.
[6] Interest on borrowing used to finance construction work in progress is capitalized. Upon completion, related interest costs are expensed.
[7] Improvements to Heartlands roads are included in capital expenditures; repairs to Heartlands roads are expensed. Total Heartlands roads program is $75 million per year.
[8] Grant programs include grants paid under the transportation partnerships program for ports and airports, the provincial contribution to the Richmond-Airport-Vancouver rapid transit project, contributions for inland ferries, and other projects.
[9] Capital Plan numbers are net of federal funding.

Rapid Transit Project 2000 — Income Statement

	2004/05 Budget	2005/06 Budget	2006/07 Plan	2007/08 Plan
Revenue ($000)				
Recognition of deferred capital and pre-operating contributions[1]	28,384	29,348	28,666	28,027
Expenditures ($000)				
Amortization of deferred capital contribution[2]	28,384	29,348	28,666	28,027
Net Income (Loss) ($000)				
Net Earnings	—	—	—	—

Note: Amortization of (1) receipts from the province and (2) capital assets related to construction of the SkyTrain Millennium Line.

Major Capital Projects

Nisga'a Highway

Objective: The Nisga'a Highway Project is in the final year of a seven-year investment program that involves upgrading the Nisga'a Highway from a gravel resource road to an all-weather, two-lane highway that meets a 70 kilometres per hour standard. The upgrade is now 75 per cent complete and is expected to be finished by the Fall of 2005. The upgrade will better serve Nass Valley residents and resource industries in the area.

Costs: The estimated total cost for the seven-year program is $52 million.

Benefits:

- Safer roads.
- Travel time savings.
- Better access to British Columbia communities.
- Economic development through increased tourism and more efficient movement of goods and services.

Risks: This project has presented engineering and construction challenges due to the rugged terrain. However, few risks remain as the construction left on the Nisga'a Highway upgrade is straightforward gravel and paving work.

Kicking Horse Canyon

Objective: Upgrade the 25-kilometre section of the Trans-Canada Highway to a modern, four-lane standard from the junction of Highway 95 at Golden to the western boundary of Yoho National Park. This corridor was originally constructed throughout the 1950s and is mostly two lanes wide. It is an important route for tourism and interprovincial trade, serving as a gateway between British Columbia and the rest of North America. Additionally, by connecting remote resource extraction sites with processing, manufacturing and distribution centres, this portion of the Trans-Canada Highway is a key part of our province's resource economies, particularly forestry and mining.

The Kicking Horse Canyon project has three phases, of which only the first two are funded and underway.

Costs: The estimated cost is $191 million for the first two phases.

- **Yoho (5-Mile) Bridge (current budget $61 million):** The cost of this work is being shared with the Government of Canada under the Strategic Highway Infrastructure Program (SHIP). The federal portion is $23 million and the provincial portion is $38 million. Construction is on schedule and expected to be complete by Fall 2006.
- **Park (10-Mile) Bridge (preliminary estimate $130 million):** The cost of this work is being shared with the Government of Canada under the Canadian Strategic Infrastructure Fund (CSIF). The federal portion is $62.5 million and the provincial portion is $67.5 million. The provincial government is pursuing private-public partnership delivery. A request for proposals was issued in October 2004.

Note: It is anticipated that in the future there will be a third phase for upgrades from Golden to 5-Mile and 10-Mile to Yoho National Park when federal cost-sharing is secured. Improvements likely will be made over the longer term, rather than within the three-year scope of this service plan.

Benefits:

- Safer roads and increased capacity on a critical provincial and national gateway.
- Fewer road closures due to slides and accidents.
- Replacement of two major structures that are nearing the end of their service lives.
- Economic development through increased tourism and more efficient movement of goods and services.

Risks:

- Challenging climatic and geographic conditions.
- Managing traffic during construction.

Okanagan Lake Crossing

Objectives: To construct a new five-lane crossing to replace the existing 46-year-old crossing which is now at the end of its economic and useful life, and to reduce the increasing traffic congestion. The project includes improvements to the east approach through downtown Kelowna to improve traffic flow, a truck climbing lane on the west side of Okanagan Lake, and an interchange at Campbell Road on the west side of the crossing.

Costs: The crossing and east approach improvements are estimated to cost $100 million. Improvements to the west approach are estimated to cost an additional $20 million. The new crossing will be delivered through a public-private partnership. The east and west approach works will be delivered through traditional tender.

Benefits:

- Safer crossing and connecting roads.
- Travel time savings due to relieved congestion.
- Economic development through increased tourism and more efficient movement of goods and services.

Risks: Engineering and construction challenges, which are substantially transferred to the private sector through the public-private partnership.

Sea-to-Sky Highway

Objectives: Implement critical safety, reliability and capacity upgrades to Highway 99 (the Sea-to-Sky Highway) by constructing lane expansions along some sections of the highway between Horseshoe Bay and Whistler. The schedule requires these upgrades to be completed by the end of 2009. Much of the design and construction will be done by a private sector partner. These upgrades are in addition to improvements currently under construction between Culliton Creek and Cheakamus Canyon.

Costs: The estimated construction cost is $600 million. Further information including a Capital Project Plan is available at http://www.seatoskyimprovements.ca/.

Benefits:

- A safer road.
- Increased capacity.
- Travel time savings.
- Reduced vehicle operating costs.
- Fewer road closures due to slides and accidents.

Risks:

- Challenging climatic conditions.
- Challenging construction due to difficult terrain or unstable areas, and the need to maintain traffic flows.

Rapid Transit Project 2000

Objective: The Millennium Line project, which is mostly complete and is running smoothly, included construction of the 21.6 kilometre Millennium Line extension to the SkyTrain rail transit system in the Lower Mainland, plus feasibility studies of two planned further extensions of SkyTrain. Construction is underway on the last portion from Commercial Station to Vancouver Community College.

Costs: The total cost of the Millennium Line is forecast to be $1.12 billion, which is lower than its approved budget of $1.17 billion. An operating lease with TransLink is in the final negotiation stage.

Benefits:

- Rapid transit service for current and future commuters.
- Reduced congestion.
- Reduced pollution from automobile exhaust emissions.
- Slower growth in the demand for new highway infrastructure.
- Less urban sprawl, due to compact development around transit stations.

Risks: Risks are related to one remaining section, from Commercial Station to Vancouver Community College, which faces standard construction and financial risks and is expected to be turned over to the operator in late 2005.

Transportation Investment Plan

The first phase of a multi-year Transportation Investment Plan for British Columbia was announced in February 2003. The Plan is set out in detail in "Opening up BC", available online at http://www.gov.bc.ca/bcgov/content/images/transportation_plan_web.pdf.

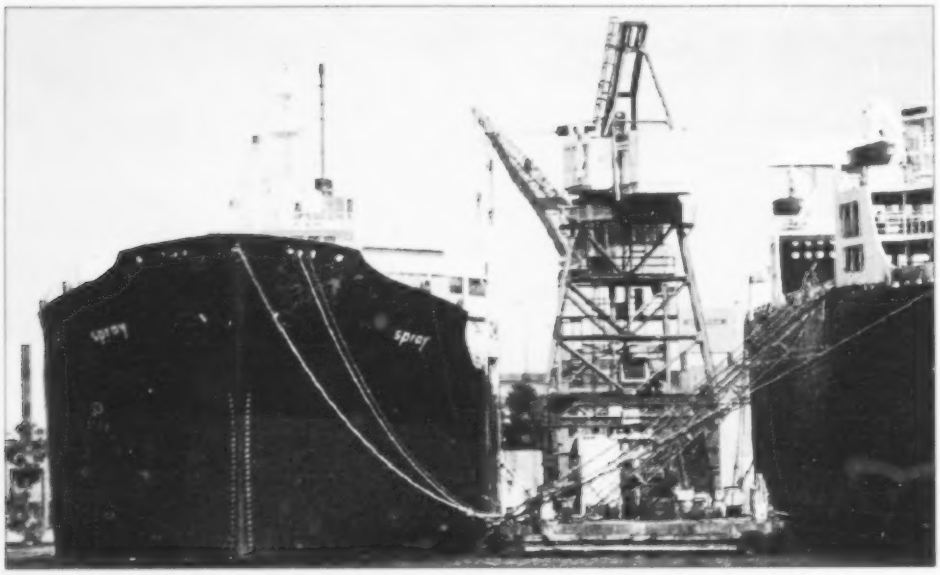
Key components of the plan include:

- **Border Crossing Program** — Enhancing the free flow of goods approaching and through B.C.'s busiest border crossings (highways #10, #11 (Sumas Way), #15 (176 Street), #91 and #91A), $242 million will be committed to infrastructure and technology improvements. British Columbia and provincial partners will provide $140 million, to be combined with $102 million from the federal government's Strategic Highway Infrastructure Program and Border Infrastructure Fund. This program's planned investments extend beyond the three-year scope of this service plan.
- **Gateway Program** — Potential projects to improve the movement of people and goods in the Lower Mainland include twinning the Port Mann Bridge and widening Highway 1 between Vancouver and Langley; developing a four-lane, 80 kilometres per hour South Fraser Perimeter Road from Tsawwassen to the Port Kells area; and improving existing roads from New Westminster through Coquitlam, Port Coquitlam and Pitt Meadows to Maple Ridge to create a North Fraser Perimeter Road. Preliminary estimates suggest this program would cost $2.6 billion. Consultation with local governments continued

Port Mann Bridge

through 2004. The ministry is committed to work with local governments, residents, businesses and other stakeholders as the program progresses.

- **Highway Corridors** — Improving the performance of highway corridors through projects such as passing lanes, four-laning, left turn slots and realignments. Projected investment from 2005/06 to 2007/08 is $202 million. Approximately $10 million of this will be provided by the federal government under the Strategic Highway Program.
- **Highway Rehabilitation** — Investing $438 million over three years (2005/06 through 2007/08) in road and bridge surfacing, bridge rehabilitation, seismic retrofits and highway safety improvements.
- **Heartlands Roads** — Making Heartlands roads safer and more reliable, and improving connections between communities, the ministry is investing $225 million from 2005/06 through 2007/08 to renew the northern and rural road network.
- **Okanagan Corridor Improvements** — Apart from a new Okanagan Lake Crossing, $60 million is expected to be invested to support trade and tourism and reduce congestion in urban areas.



Port improvements benefit the economy

- **Transportation Partnerships Program** — Along with contributions from partners, the ministry is reserving $10 million a year, primarily for port and airport infrastructure improvements that will bring benefits for regional economies. A portion of this program funding is directed to cost-sharing on community cycling infrastructure.
- **Weigh Scales Upgrade Program** — Over the two years of 2005/06 and 2006/07, an estimated $10 million will be invested to relocate and redesign weigh scales, implement joint facility operations at borders and develop intelligent transportation systems to process truck traffic more efficiently.
- **Heartlands Oil and Gas Road Rehabilitation Strategy** — In partnership with the Ministry of Energy and Mines, the program will rehabilitate the existing public road infrastructure in the Northeast region of the province to help eliminate seasonal road restrictions and extend the winter drilling season for oil and gas exploration.
- **Richmond-Airport-Vancouver Rapid Transit Project (RAV)** — The RAV project is a jointly funded (B.C. Government, Vancouver International Airport, Federal Government and the Greater Vancouver Transportation Authority (GVTA)) rail-based rapid transit line that will link central Richmond, the Vancouver International Airport and Vancouver's downtown business district. The project is deliverable by the GVTA through its subsidiary RAVCO. The province is committed to make $435 million in contributions.

Vision, Mission and Values

Vision

The vision of the Ministry of Transportation is a fully integrated transportation system that advances economic and social growth, and moves goods and people within British Columbia and to markets beyond.

Mission

The mission of the Ministry of Transportation is to:

- Create an integrated and safe transportation network that incorporates all modes of transport, reflects regional priorities, and provides a strong foundation for economic growth; and
- Maintain and improve the provincial highway system, ensuring the safe and efficient movement of people and goods provincially, nationally and internationally.

Values

- We respect regional and community goals and priorities.
- We are responsive to the needs of British Columbia business.
- We strive for excellence and innovation.
- We respect the people we serve and work with.

Values at Work

The ministry's values play an important role in guiding our everyday work. We established Regional Transportation Advisory Committees to make sure the ministry was kept up to date on community priorities. We have responded to the needs of business by cutting red tape by over one-third. Excellence and innovation are now actively rewarded under the new contracts for maintaining British Columbia's roads and bridges. To make sure we are treating our employees and customers with the respect they deserve, we regularly solicit their opinions and ideas for improvement. As described in the Ministry's First Nations Consultation Guidelines, we build relationships with First Nations regarding activities and decisions that might impact aboriginal interests. Whenever ministry staff develops new policies, designs new projects or reviews past accomplishments, these values are the benchmark for success.

Goals, Objectives, Strategies and Results

This section describes the ministry's overall goals, supporting objectives that should be met along the way, major strategies the ministry will use to accomplish its aims, and targets against which performance will be measured. Ministry staff and the public will be able to gauge how well these strategies are working over the next three years by comparing the performance targets below with the actual measured results that will appear in future annual service plan reports.

The diagram below displays the linkages between government strategic goals and the ministry's mission, goals, objectives and performance measures.

Government Strategic Goals

A strong and vibrant provincial economy.

Ministry Mission

To create an integrated and safe transportation network that incorporates all modes of transport, reflects regional priorities, and provides a strong foundation for economic growth.

To maintain and improve the provincial highway system, ensuring the safe and efficient movement of people and goods provincially, nationally and internationally.

Ministry Goals	Ministry Objectives	Performance Measures / Indicators
1. Key transportation infrastructure is improved to drive economic growth and trade.	1. Regional and local input is used when setting transportation priorities.	Survey of RTAC members' satisfaction with ministry consideration of RTAC recommendations.
	2. Available provincial investment dollars are used as effectively as possible.	Partnerships investment leveraged. Federal funding investment leveraged. Project performance: – completed on budget – completed on schedule.
	3. The worsening congestion trend in urban areas is mitigated.	Level of traffic congestion.
	4. Improved mobility for highways servicing major economic gateways.	Commercial trucking travel time between economic gateways.
2. B.C. is provided with a safe and reliable highway system.	1. Contractors maintain the provincial highway system to a high standard.	Maintenance cost per lane kilometre. Contractor Assessment Program.
	2. The main highway system is maintained and rehabilitated on a lowest life cycle cost basis.	Pavement condition. Bridge condition. Number of lane kilometres resurfaced.
	3. Improved road access for resource industries and rural residents.	Surface condition. Number of lane kilometres treated.
	4. Improved highway safety and reliability.	Crash reduction after construction on safety improvement capital projects. Annual total duration of unplanned highway closures.
	5. An effective risk management process is established across the ministry.	Risk management plan.
3. B.C.'s transportation industries become more competitive.	1. Reduction or elimination of third party regulations and policies that impede B.C.'s ability to compete with other jurisdictions in the transportation market.	Progress toward implementation of liberalized air service agreements.
4. Excellent customer service is achieved and the ministry is recognized as a good employer.	1. Excellent service is provided to all British Columbians.	Customer Satisfaction Survey.
	2. Employees are provided with the support, training and working environment they need to excel at their jobs.	Employee Satisfaction Survey.

Goal 1: *Key transportation infrastructure is improved to drive economic growth and trade.*

Core Business Area: *Transportation Improvements.*

Objective 1: *Regional and local input is used when setting transportation priorities.*

Strategy:

- Create an environment in which Regional Transportation Advisory Committees (RTACs) provide the ministry with informed and independent advice.
- Ensure RTAC advice to the minister is included in ministry planning, program and policy initiatives and RTACs are provided with timely responses to their recommendations.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Customer Survey: Annual survey of RTAC members' satisfaction with ministry consideration of RTAC recommendations.	70%	70%	70%	70%

What is being measured: The RTACs will provide annual reports to the minister documenting their activities and recommendations. These reports will identify regional needs and transportation priorities, and give regions a greater say in their transportation needs and planning.

Objective 2: *Available provincial investment dollars are used as effectively as possible.*

Strategy A:

- Develop public-private partnerships in consultation with Partnerships BC.
- Capture value from surplus land to fund transportation improvements.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Partnerships Investment leveraged: Private investment capital leveraged through public-private partnerships, plus defrayed or reduced costs from efficient land use.	$20 M	$90 M	$110 M	$200 M

What is being measured: Funds from non-provincial treasury sources at the time of construction, including contributions from municipalities, Crown corporations, First Nations and the private sector, but excluding contributions from the federal government, which are measured separately. The contribution/recovery from partners and the land contributions by the province are measured against the gross cost of the capital project.

Note: The 2006/07 target was revised to reflect the updated schedule for the Gateway Program.

Strategy B:

- Solicit and get federal funding for transportation projects in BC.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Federal funding investment leveraged (capital):	N/A	$64 M	$64 M	$64 M

What is being measured: The amount of federal funding secured through B.C./Canada contribution agreements.

Note 1: The targets listed for 2006/07 and 2007/08 are currently not supported by any available federal funding. However, the province is working on securing funding for several projects including the Port Mann Bridge, South Fraser Perimeter Road and North Fraser Perimeter Road.

Note 2: The Richmond-Airport-Vancouver Rapid Transit Project (RAV) is not included in the targets as the final project schedule has not been determined. The province is committed to make $435 million in contributions over the life of the project.

Strategy C:

- Complete projects on budget and on time.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Project Performance:				
• Projects completed on budget	97%	97%	97%	97%
• Projects completed on schedule.	90%	90%	90%	90%

What is being measured: The number of projects completed each fiscal year.

Objective 3: *The worsening congestion trend in urban areas is mitigated.*

Strategy:

- Implement cost-effective highway upgrades that improve traffic flow, reduce delays and add new capacity, using partnership cost-sharing where feasible.
- Make better use of existing capacity through intelligent transportation systems (ITS) initiatives and promoting travel demand management (TDM) initiatives.

Performance Measure	Baseline	2005 Target	2006 Target	2007 Target
Level of traffic congestion: Percentage of urban vehicle-kilometres travelled in congested conditions.	13.4%	14.3%	14.6%	15.0%

What is being measured: Congestion occurs when measured hourly traffic exceeds 80 per cent of the highway's capacity. While future targets show congestion worsening over time due to increasing population and travel demand, mitigating projects in the Transportation Investment Plan are slowing this worsening trend. The cost of providing additional highway capacity and the associated social and environmental impacts limit the ministry's ability to reverse congestion; however, the ministry will continue to implement mitigating strategies where possible.

Note 1: The 2004 data will not be available until April 2005, so the baseline measure for traffic congestion is from 2003 data. Targets for this measure refer to the calendar year, not the fiscal year.

Note 2: The performance targets have been adjusted downward from the previous service plan due to refinements to the forecasting methodology.

Objective 4: *Improved mobility for highways servicing major economic gateways.*

Strategy:

- Improve mobility and reliability and reduce bottlenecks on major urban and rural trade corridors using partnership cost-sharing where feasible.
- Reduce congestion at weigh scales by relocating them, redesigning them and/or using intelligent transportation systems to process truck traffic more efficiently.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Commercial trucking travel time between economic gateways.	Under development	Under development	Under development	Under development

What is being measured: The ministry is measuring the travel times of long-haul trucks on specific highway segments which serve major economic gateways using data obtained through existing satellite tracking technology. Data capture is currently in progress, and it is expected that a baseline performance measure will be ready in early 2005.

Goal 2: *B.C. is provided with a safe and reliable highway system.*

Core Business Area: *Highway Operations.*

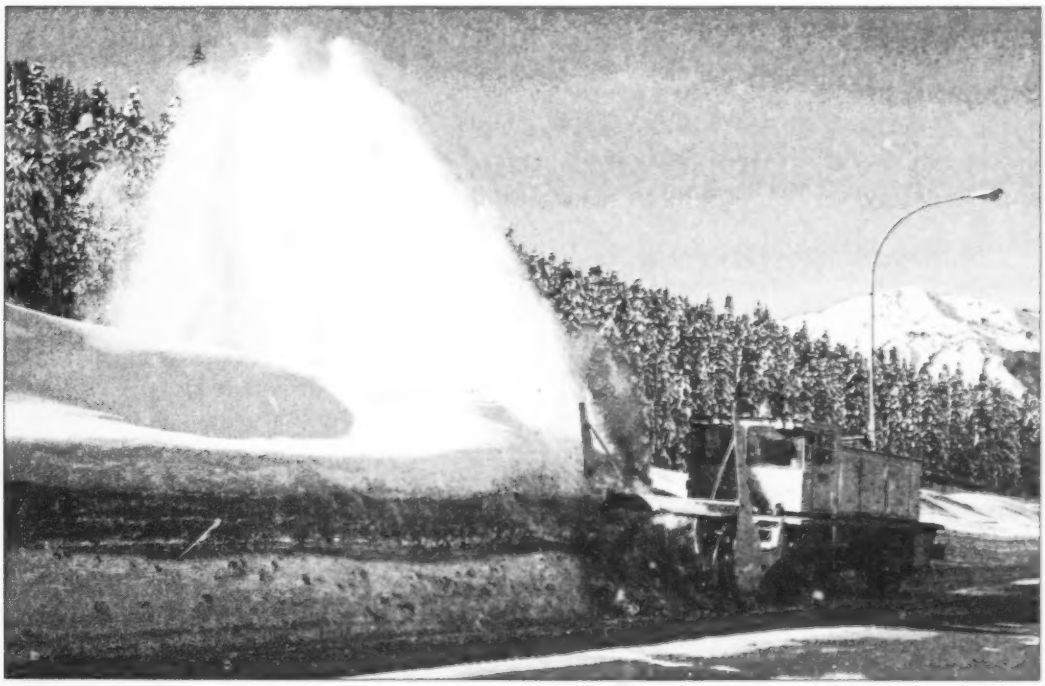
Objective 1: *Contractors maintain the provincial highway system to a high standard.*

Strategy A:

- Maintain the highway system in a cost-effective way.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Highway Maintenance:				
Maintenance cost per lane kilometre.	$4,110	$4,194	$4,316	$4,340

What is being measured: Maintenance costs per lane kilometre, including the cost of road and bridge maintenance contracts, and an estimate of the cost of other maintenance activities performed by ministry staff. Targets increase over time due to the maintenance agreement provisions for inflation (based on indices for labour, fuel and construction costs).



Snow blower clearing highway

Strategy B:

- Fully implement and review the Contractor Assessment Program, a new procedure for auditing how well highway maintenance contractors are delivering services.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Contractor Assessment Program: Rating of the maintenance contractors' performance with a maximum score of 1.	0.91	0.91	0.92	0.92

What is being measured: How well contractors are meeting the standards set out in performance based maintenance contracts. Contractors are assessed based on the results of local and regional audits, and road user satisfaction ratings obtained through stakeholder assessments, where key stakeholders such as the RCMP, emergency response providers, major trucking firms and bus lines in each service area are asked to rate their level of satisfaction with road maintenance activities such as snow removal, mowing, patching and sign maintenance.

Objective 2: *The main highway system is maintained and rehabilitated on a lowest life cycle cost basis.*

Strategy A:

- Maintain and regularly assess the condition of main highways to determine which needs should take priority in annual resurfacing programs.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Pavement Condition (for main highways):				
• Per cent of kilometres where condition is good or excellent.	76%	76%	76%	76%

What is being measured: Surface distress, which is a true engineering measure of the pavement deterioration; and pavement roughness, which measures the riding comfort experienced by the road user. Combined, both types of information provide a Pavement Condition Rating, which is the basis for determining highway rehabilitation needs. A 76 per cent target achieves the lowest life cycle cost objective.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Bridge Condition:				
• Per cent of bridges where condition is good or excellent.	80%	80%	80%	80%

What is being measured: The condition of all bridge elements, horizontal and vertical clearances, live load capacity and horizontal and/or vertical alignments of bridges or approaches. Bridges are monitored regularly and repaired in order of vulnerability according to urgency rating, operation, safety and the live load capacity index. The targets allow for a lowest life cycle cost approach to protecting the bridge infrastructure.

Strategy B:

- Rehabilitate the main highways at a level that will ensure a lowest life cycle cost.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Highway Rehabilitation:				
• Number of lane kilometres resurfaced.	2,500	2,500	2,500	2,500

What is being measured: The number of lane kilometres treated by means of asphalt overlays, hot-in-place recycling, milling, reclamation, micro-surfacing, seal coat applications and first-time hard surfacing of gravel roads.

Objective 3: *Improved road access for resource industries and rural residents.*

Strategy A:

- Continue to invest $75 million per year to improve Heartlands road quality.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Surface Condition: • Per cent of kilometres where condition is good or excellent.	40%	43%	46%	49%

What is being measured: Road surface condition assessments will measure surface distress and roughness for paved surfaces. The above measures apply to northern and Heartlands roads only.

Strategy B:

- Improve the road surface on Heartlands roads at a sufficient rate to ensure improved road access.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Number of lane kilometres treated.	870	870	870	870

What is being measured: Lane kilometres treated during the fiscal year will include various treatments such as base reconstruction and strengthening, gravel surfacing, first time hard surfacing or resurfacing. The above measures apply to northern and Heartlands roads only.

Objective 4: *Improved highway safety and reliability.*

Strategy A:

- Monitor highway safety and improve high-risk locations, with input from Regional Transportation Advisory Committees.
- Maximize highway safety and reliability through safety focused enhancements, and through low-cost improvements such as signs, lighting and lane markings.
- Work with safety partners such as ICBC, the RCMP and the Ministry of Public Safety and Solicitor General (PSSG) to develop a safety plan to achieve the targets established in the Canada-wide Road Safety Vision 2010.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Crash reduction after construction on safety improvement Capital Projects.	725 crashes	50 reduction from baseline	100 reduction from baseline	150 reduction from baseline

What is being measured: A comparison between baseline measures prior to capital improvements and measured results after the safety improvements are completed. A minimum of three years (preferably five years) of crash data is required after the completion of a project in order to determine a trend and conclude with some degree of confidence how well the project has improved safety. For adequacy of statistical analysis, a sampling of 21 projects across the province was used. The results of the safety performance of these projects will be aggregated and reported on an annual basis.

Strategy B:

- Minimize the number of unplanned road closures through planning and putting in place preventative measures.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Annual total duration of unplanned highway closures greater than half an hour for all numbered highways.	2,500	2,500	2,500	2,500

What is being measured: Hours of highway closures resulting from unplanned events, such as traffic accidents and weather, which are largely outside the ministry's control.

Objective 5: *An effective risk management process is established across the ministry.*

Strategy:

- Develop a risk management plan to balance risks and potential outcomes against mitigation costs.
- Apply risk management tools and deliver training to ensure that internal planning and decision-making processes comply with a risk management approach.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Risk management plan.	Completion of the plan	Full implementation of the plan	Review and update	Review and update

What is being measured: The Risk Management Plan will include a process for identifying and mitigating ministry risks that may have a significant impact on costs and the achievement of goals and objectives.

Goal 3: *B.C.'s transportation industries become more competitive.*

Core Business Area: *Transportation Improvements.*

Objective: *Reduction or elimination of third party regulations and policies that impede B.C.'s ability to compete with other jurisdictions in the transportation market.*

Strategy:

- Work with the Vancouver International Airport Authority (YVRAA) to encourage the federal government to adopt a policy of liberalized international air agreements that would allow more carriers to stop in Vancouver and either pick up or drop off passengers and goods. This would be negotiated on a reciprocal basis with other countries, especially the U.S.
- Continue to press the federal government to make revisions to the *Canada Marine Act*, to provide Canadian port authorities with greater financial flexibility and to make them eligible for federal infrastructure funding.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
—Progress toward implementation of an amended Canada-U.S. air travel agreement, and in liberalizing Canada's existing air service agreements with other countries.	In accordance with a Memorandum of Cooperation (MOC) with YVRAA, develop specific business case arguments to support further liberalization of the Canada-US agreement and to support liberalization of select existing air service agreements.	Amended Canada-U.S. air service agreement.	70 per cent of Canada's air service agreements allow foreign air carrier access to YVR.	All of Canada's air service agreements allow foreign air carrier access to YVR.

What is being measured: The successful achievement of a more liberalized Canada-U.S. air service agreement and the liberalization of Canada's air service agreements with other countries.

Goal 4: *Excellent customer service is achieved and the ministry is recognized as a good employer.*

Core Business Areas: *All.*

Objective 1: *Excellent service is provided to all British Columbians.*

Strategy:

- Undertake annual surveys of customer satisfaction and compare survey results with baseline data.
- Use survey results and public feedback to improve customer service processes and procedures.
- Conduct focus group sessions with individual stakeholder groups to identify specific gaps in service delivery, and determine how to refine ways of doing business in order to better meet customer needs.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Customer Satisfaction Survey: Highway users' satisfaction with existing ministry services and delivery processes, rated on a scale of 1 to 10.	6.9	7.5	8.0	8.0

What is being measured: From 1,321 surveys of stakeholders and highway users conducted in 2004, a new benchmark was set by using a weighted average of several factors. The results were used to evaluate and compare the overall performance and quality of service as perceived by stakeholders and highway users.

Objective 2: *Employees are provided with the support, training and working environment they need to excel at their jobs.*

Strategy:

- Implement the ministry's Human Resource Management/People Plan to enhance productivity and employee satisfaction.
- Undertake annual surveys of employee satisfaction and use survey results to target for enhanced employee learning and an innovative organization.

Performance Measure	Baseline	2005/06 Target	2006/07 Target	2007/08 Target
Employee satisfaction survey: • Survey of employee satisfaction with organizational improvements.	67%	69%	75%	80%

What is being measured: Employee satisfaction with respect to improvements in support, training and working environment is measured via a survey administered to all staff.

Related Initiatives and Planning Processes

Deregulation and Regulatory Reform

The Ministry of Transportation provides for provincial transportation networks and services, and administers related legislation, regulations and policies. Since 2001, the ministry cut red tape by reducing its regulatory requirements by over one-third. The ministry will continue to support government's deregulation and regulatory reform initiative by maintaining a zero per cent increase in regulatory requirements over the next three years. Further, the ministry will conduct annual reviews to look for opportunities to continue streamlining.

Objectives	Performance Measures	2005/06 Target	2006/07 Target	2007/08 Target
Zero per cent increase to regulatory burden throughout 2007/08.[1]	— Regulatory requirements maintained at June 2004 baseline. Continued application of eliminating regulations to offset the addition of any new ones.	Zero per cent increase, continue streamlining.	Zero per cent increase, continue streamlining.	Zero per cent increase, continue streamlining.
Zero per cent increase to Passenger Transportation regulatory burden throughout 2007/08.[2]	— Regulatory requirements maintained at June 2004 baseline. Continued application of eliminating regulations to offset the addition of any new ones.	Zero per cent increase, continue streamlining.	Zero per cent increase, continue streamlining.	Zero per cent increase, continue streamlining.

Note 1: As of June 2004, the Ministry of Transportation cut its regulatory requirements from the June 2001 baseline by 41 per cent, well in excess of the 33 per cent target.

Note 2: The Motor Carrier Commission was replaced by the Passenger Transportation Board on June 28, 2004. Significant streamlining and deregulation of the passenger transportation industry was achieved by June, 2004, and the Board cut its regulatory requirements from the June 2001 baseline by 43 per cent, also well in excess of the 33 per cent target.

Overviews of Human Resource Plan and Information Resource Management Plan

The ministry Human Resource "People Plan" overview is available on the ministry website at: http://www.th.gov.bc.ca/publications/HRMP/.

The ministry Information Resource Management Plan overview is available on the ministry website at: http://www.th.gov.bc.ca/publications/IRMP/.